

Joe N.

PORZIO, BROMBERG & NEWMAN

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

163 MADISON AVENUE

MORRISTOWN, NJ. 07962-1997

201-538-4006

PRACTICE LIMITED TO LITIGATION AND ENVIRONMENTAL LAW

FAX 201-538-5146

655 THIRD AVENUE (SUITE 900)

NEW YORK, NY 10017-5617

212-986-0600

FAX 212-986-6491

STEVEN P. BENENSON*
ROBERT J. BRENNAN
LISA MURTHA BROMBERG
MYRON J. BROMBERG
D. JEFFREY CAMPBELL
THOMAS R. CHESSON
ROY ALAN COHEN
ALEXANDER J. DRAGO
LAUREN E. HANDLER
EDWARD A. HOGAN
ANITA HOTCHKISS
KENNETH R. MEYER
JOHN M. NEWMAN
HOWARD J. SCHWARTZ

RETIRED
RALPH PORZIO

COUNSEL
STEWART A. CUNNINGHAM
CHARLES E. ERWAY, III
THOMAS SPIESMAN

HOWARD P. DAVIS
CHRISTOPHER P. DEPHILLIPS*

GARINEH S. DOVLETIAN
PETER A. DRUCKER
FRANK FAZIO
KAREN A. KAPLAN*
VANESSA M. KELLY
JONATHAN M. KORN
WILLIAM A. KRAIS
JONATHAN R. KUHLMAN
MAURA E. LICHTENSTEIN*
COLEEN J. McCaffery
JAY R. McDANIEL
NANCY G. MINIKES
DEAN M. MONTI
RANDI N. POMERANTZ
ROBERT T. QUACKENBOSS*
CYNTHIA D. RICHARDSON
GREGORY J. SCHWARTZ
DIANE M. SIANA
CHARLES J. STOIA
JANET A. SULLIVAN
MORNA L. SWEENEY
STEPHEN L. WILLIS
N.J. & N.Y. BARS
* N.J. BAR ONLY

October 31, 1994

VIA TELECOPY AND REGULAR MAIL

Douglas Stuart, Chief
Bureau of Environmental Evaluation and
Cleanup Responsibility Assessment
New Jersey Department of Environmental
Protection
401 East State St., 5th Floor
CN 028
Trenton, NJ 08625-0028

Re: Hexcel Corporation
205 South Main St.
Lodi, Bergen County, New Jersey
ISRA Case No. 86009
Financial Assurance
Our File No. 03598.23357

Dear Doug:

I am enclosing herewith a copy of a letter sent directly to you today by GEO Engineering ("GEO letter") concerning the financial assurance which has been posted in this matter. Matrix Environmental Management ("Matrix"), on behalf of Fine Organics, has suggested to the Department that the financial assurance in this matter be increased to \$12 million. The basis of this request is, apparently, a report prepared by Matrix.

As you will see from the enclosed GEO letter, however, the Matrix estimate is based on a number of factors which render it

SDMS Document



88291

Doug Stuart, Chief
October 31, 1994
Page 2

PORZIO, BROMBERG & NEWMAN

inaccurate. These include a misunderstanding of the current status of this matter, a misapprehension of the manner in which financial assurance is set in ISRA cases, an overestimation of certain items included in the cost estimate, and finally, erroneous conclusions as to whether or not items are already included in the financial assurance in place with the Department. These matters are set forth with greater particularity in the enclosed GEO letter.

It is incumbent upon us to point out that the statements of Fine Organics concerning the bankruptcy are entirely inappropriate. According to the Plan for Reorganization filed on Tuesday, October 25, 1994 in the California Bankruptcy Court, Hexcel proposes to pay 100 percent of all allowed claims and expects to emerge from its reorganization shortly. Hexcel has been continuing to conduct the remediation at this site and has maintained the financial assurance already posted. Even assuming that the discussion of the bankruptcy was an appropriate basis upon which to premise financial assurance and, of course, it is not, Hexcel's continued activities have, we trust, continued to earn the confidence of the Department.

If you should have any questions concerning this matter please advise.

Very truly yours,



Edward A. Hogan

EAH/cad/L4025

cc: Mr. Wayne Howitz, Assistant Director (Via Telecopy and Regular Mail)
Mr. Joseph J. Nowak, Case Manager (Via Telecopy and Regular Mail)
John M. Newman, Esq.
Mr. A. William Nosil (Via Telecopy and Regular Mail)
Robert Krumme, Esq. (Via Telecopy and Regular Mail)
Ms. Marjorie Piette (Via Telecopy and Regular Mail)
Michael J. Naughton, Esq. (Via Telecopy and Regular Mail)

882910002